

WASHINGTON STATE DEPARTMENT OF REVENUE



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Revenue steps up efforts to ensure all taxpayers pay fair share

OLYMPIA, Wash., Sept. 17, 2002—If you're thinking about fudging on your state taxes, you'd better think twice.

The Washington State Department of Revenue is stepping up efforts to ensure that all businesses and individuals pay their fair share of taxes by catching more of those who don't.

At the direction of the Legislature, the agency is fielding more than 70 additional auditors, revenue officers and tax discovery agents to collect \$60 million annually in state and local taxes that aren't being paid.

Those employees will identify more unregistered businesses, increase the number of business audits, accelerate the collection of delinquent taxes, and better educate taxpayers about their tax obligations.

Compliant taxpayers shouldn't be concerned about the additional enforcement, because it will focus on areas where data analysis shows compliance problems exist, Agency Director Will Rice said. At the same time, the agency will ease off areas where compliance already is high.

"This isn't about the vast majority of businesses and individuals who pay their fair share of taxes. It's about the minority who don't, either through ignorance or willful intent," Rice said.

Examples include companies that do business without collecting or paying taxes so they can undercut their honest competitors, or residents who buy and license expensive boats, planes or vehicles out of state to avoid paying sales or use taxes.

(more)

Even more intolerable are instances where businesses collect sales taxes from customers but never remit them to the state. Rice said consumers don't want the sales taxes they pay to end up in somebody's pocket rather than financing services such as schools and public safety.

The agency recently has criminally prosecuted several businesses for this type of activity, including contractors, automobile repair shops and restaurateurs.

"People aren't fond of paying taxes, but they generally don't mind paying their fair share as long as they're not alone," Rice said. "Our job is to make sure that everyone pays a fair share."

The Department of Revenue is responsible for collecting more than \$10 billion annually in sales and use, business and occupation, and other state and local taxes. Nearly 97 percent of it is paid voluntarily, with the remainder recovered through audits and other compliance efforts.

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